



BUDGET COMMITTEE



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Senator Gregg's Senate Floor Remarks on the Debt and Health Care Spending
(unofficial transcript)
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Madam President, last night's elections have been interpreted in a variety of different ways. I listened to one channel and got one interpretation. I listened to another channel and I got the exact opposite interpretation. So I'll throw in my interpretation. I think most Americans today are going through some tough times. They're finding it very difficult to make ends meet.

Many Americans have lost their jobs, unfortunately. Those Americans who have jobs are worried about their jobs, and they're going home at night and they're sitting down with their husbands or with their wives and they're trying to work through the family finances. And they're concerned about making the ends meet, and they're worried about their credit card debt and they're worried about their mortgage, they're worried about how they're going to pay for their children's schooling. If those children are graduate students, they're worried about how they're going to pay all those debts that they're running up to get through school.

And I think Americans understand that debt is a problem personally, and now they look at the federal government and they see that we're running up this massive debt on them, that we're going to be asked fairly soon to raise the level of the national debt by maybe a trillion dollars. That this past fiscal year, the deficit exceeded \$1.4 trillion, and that we're seeing deficits projected for the next ten years of over a trillion dollars a year. And they're seeing our federal debt being bought up by foreign countries, and our federal debt keeps going up dramatically.

And they're asking themselves, "well, how can this be? How can a country as strong and vibrant as the United States continue to run up all this debt and be successful? We can't do it as family members. We can't do it in our household. How can the federal government do this?" And I think the answer's fairly intuitive. It can't do this. And yet we continue to do it as a government.

And so I think some of the vote last night was a statement that, "hey, federal government, take a pause, think about what you're doing in the area of running up deficits and running up debt and passing on to our children and to our grandchildren, a situation which isn't

fiscally sustainable. Think about what's going to occur if we continue to run these massive deficits and this massive debt.”

It will be a situation where we have a new saying in this country, “no child left a dime” as a result of all this debt being run up. And our kids will be put in a position where their quality of life will be fundamentally undermined. They won't be able to buy their home. They won't be able to send their children to college. They won't be able to do the things we've been able to do in our generation because they will have to pay for the debt which we put on their back. A trillion dollars of deficit a year for the next ten years, the public debt going to 80% of GDP and yet the proposals that we're seeing come across this floor aggravate the situation almost on a daily basis.

Two weeks ago, there was a proposal by the White House to add \$13 billion of new deficit spending because they want to give \$250 to every Social Security recipient. Well, I think most Social Security recipients are sophisticated enough to know that putting \$13 billion of debt on their children's back in a system that already has severe fiscal problems, isn't worth it for \$250. It's just not worth doing that to their kids.

And the \$250 billion to fund the doctor fix. Now, the doctors need this adjustment, but it was going to be funded by putting debt on our children's backs. We couldn't afford to do that to them. I mean, it is not right to fix the doctor problem by passing the bill on to the next generation, and yet that was what was proposed. And it passed in the House. Fortunately, over on the other side of the aisle, the folks stood up and joined the Republicans and said no. And we're going to see a highway bill coming through here. That will add another \$150 billion of new debt.

The most egregious example of this problem of expanding the deficit and expanding the debt on our children and leaving our children in a situation where no child is left a dime is the situation that's coming down the pike on this health care bill. The House of Representatives' Democratic side has proposed a bill that when it's fully implemented -- in the first ten years, it's not fully implemented so the costs of it are understated -- but when it's fully implemented is going to cost \$2.4 trillion, \$2.4 trillion of new spending. It will take health care spending in this country up to 22% of GDP.

The practical implications of that are staggering, not only to our economy but to this government. To add \$2.4 trillion to this government, to grow this government by \$2.4 trillion is going to put us in a situation where we'll basically have a government that is piling more debt on top of debt that we already can't afford.

Now, it is alleged that this is paid for. Well, it is paid for in the first ten years if you use the rosiest assumptions because they start to pay for it in year one, and they don't start the expenditures until year four. That's six years of expenditures matched against ten years of income. When you get it fully implemented, it's not paid for. There is a huge gap.

And the pay-fors assume that you're going to take \$400 billion to \$500 billion out of Medicare and move it over to this new entitlement. And you're going to take \$400 billion to \$500 billion of new tax increases and pay for this new entitlement. We can't afford

that. If we are going to adjust Medicare spending by half a trillion dollars, which is what the House is proposing, that money should go toward making Medicare solvent. It shouldn't go to create a brand-new entitlement, which is going to weigh down even further the ability of the federal government to pay its bills. And yet that's the proposal we're seeing. And if you're going to dramatically increase taxes, as that bill suggests, by half a trillion dollars, that money should also go to address the deficit and the debt. It shouldn't go to expand the size of the government.

The fundamental problem with this health care bill, as it has left the House and as it has left the Senate Finance Committee and as it has left the Senate HELP Committee, is that it grows the government at a dramatic rate and uses resources which should be used to get the deficit under control or to make Medicare more solvent. It uses those resources to expand a brand-new entitlement.

And we know, because we've seen it in all sorts of initiatives, that when you put a new program on the books, you inevitably -- especially in an entitlement program -- you inevitably underestimate the cost and you equally overestimate the revenues and inevitably the majority of that cost is financed through deficit spending and is added to the debt. And you just have to look at our history around here to know that that's true.

So, as we go forward from this point, I would hope we'd think a little bit about addressing what I think most Americans who voted last night were thinking about -- at least when they went home to do their own budgets -- and that's the deficit and the debt of this country. And I would hope that we wouldn't put on to the books a brand-new entitlement that's going to cost us \$2.4 trillion when it's fully implemented, which will increase the size of government, and which will dramatically aggravate our ability to pay for the debt that we already know is coming down the road, and I would hope instead that we would make Medicare more solvent, which we know is the big issue.

The federal government is already expected to grow from 21% of GDP in 2008 to 23.5% of GDP in 2019, which would be the largest percentage of the economy that the federal government has taken out of it since World War II. When this bill is fully implemented, if it were passed in its present form, it would continue to go up even higher. It's not sustainable. It's not fair, and it's not right. One generation should not do this to another generation. We should not promise a new promise that we cannot pay for and which will pass on to our kids' costs which they will have to bear in a way which will dramatically affect their quality of life.

And so I hope we would take a little pause, a little time out and say, "let's see if there isn't a better way to do this. Let's see if we can't do this in a more fiscally responsible way, in a way that doesn't grow the government by trillions of dollars, in a way which doesn't pass massive new debts on to our children." Madam President, I yield the floor.